

# News Release

# Senator Pete V. Domenici

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FOR IMMEDIATE RELEASE

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## DOMENICI URGES U.S.-RUSSIAN COOPERATION TO ADDRESS WORLD URANIUM CRISIS

### Senator Warns of Jeopardy to U.S.-Russian HEU Agreement

WASHINGTON -- Senator Pete Domenici today warned that a centerpiece to U.S.-Russian nonproliferation efforts is in jeopardy unless the Clinton administration immediately addresses a global uranium crisis of its own making.

Domenici outlined his concerns in a letter sent to Russian Minister for Atomic Energy Yevgeny Olegovich Adamov, and copied to Energy Secretary Bill Richardson.

Domenici, chairman of the Energy and Water Development Appropriations Subcommittee, stressed that attention must be given to the depressed world uranium market that will imperil the 1993 Highly Enriched Uranium (HEU) Agreement. This pact is central to a joint U.S.- Russian efforts to reduce nuclear arms and address proliferation risks, as well as an essential source of revenue to Russia to deal with broader nuclear safety, environmental, and security issues.

The HEU Agreement was thrown into turmoil with the Clinton administration's sudden privatization of the United States Enrichment Corporation (USEC) and placement of large stocks of natural uranium on the market. In a May letter, Adomov said Russia would halt uranium shipments to the United States as outlined under the agreement, posing a serious threat to efforts to remove weapons-grade uranium from the former Soviet Union.

"When Congress agreed to privatize USEC, it did not anticipate that the administration would effectively allow the HEU Agreement to be privatized along with it. Nor was Congress informed of transfers of huge inventories of natural uranium to USEC prior to privatization, transfers that could be predicted to drastically impact the global uranium market," Domenici wrote Adomov.

"The preceding issues have led to the current legal threats to the integrity of the agreement that your letter references and to a seriously depressed market for uranium that is impacting all producers. My anticipation of these issues formed the basis of my efforts to propose re-evaluation of the national security implications of privatization actions before proceeding. Unfortunately, my strong advice on this issue was not heeded by the administration," he said.

Domenici is urging the Clinton administration to preserve the integrity of this key non-proliferation tool and develop approaches that will put the HEU Agreement back on a secure footing. The lawmaker said proposals to save the agreement need to satisfy the following criteria:

- Establish sufficient government oversight and control over implementation of the Agreement, including any required legal protections;
- Provide mechanisms that ensure that the HEU Agreement is fully implemented at 30 metric tons of HEU per year; and,
- Result in stable, fair and predictable long-term commercial implementation of the Agreement that does not de-stabilize uranium markets.

“If the administration can advance proposals meeting such criteria, you can be assured that I will seek their prompt and careful consideration by the Congress,” Domenici wrote.

The HEU Agreement, brokered in 1993, set in place a process for Russia to dispose of 500 tons of highly enriched uranium (HEU)--enough for an estimated 20,000 weapons--by blending it with natural uranium for use in civilian reactors. Following the administration's privatization of USEC and the subsequent crash of world uranium prices, Domenici helped secure \$325 million in the final days of the 105th Congress to rescue the HEU deal.